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Market Administrator's

BULLETIN

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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Assistant Secretary of Agriculture Cites USDA's Role in World Economic Growth

"Economic growth is the key to better living in a free, secure, and peaceful world, and the foundation of that growth in a productive agriculture and prosperous farmers," Dr. George L. Mehren, Assistant Secretary of Agriculture said when he addressed the annual joint meeting of the Milk Industry Foundation and the International Association of Ice Cream Manufacturers in Los Angeles in October, and discussed services that the U. S. Department of Agriculture provides for farmers, consumers, and industry.

"The U.S. Department of Agriculture is truly the people's department," Dr. Mehren said, "but during the past 100 years, as our economy and social structures have expanded and become increasingly complex, the general public has lost its direct concern with agriculture. However, one reason the economy has been able to grow is our productive and prosperous agriculture."

USDA conducts the largest conservation program in the world for the protection of two of our most important natural resources—soil and water, Dr. Mehren said. It assists farmers in carrying out conservation programs that move more than a billion cubic yards of earth every year—the equivalent of building a Panama Canal three times a year.

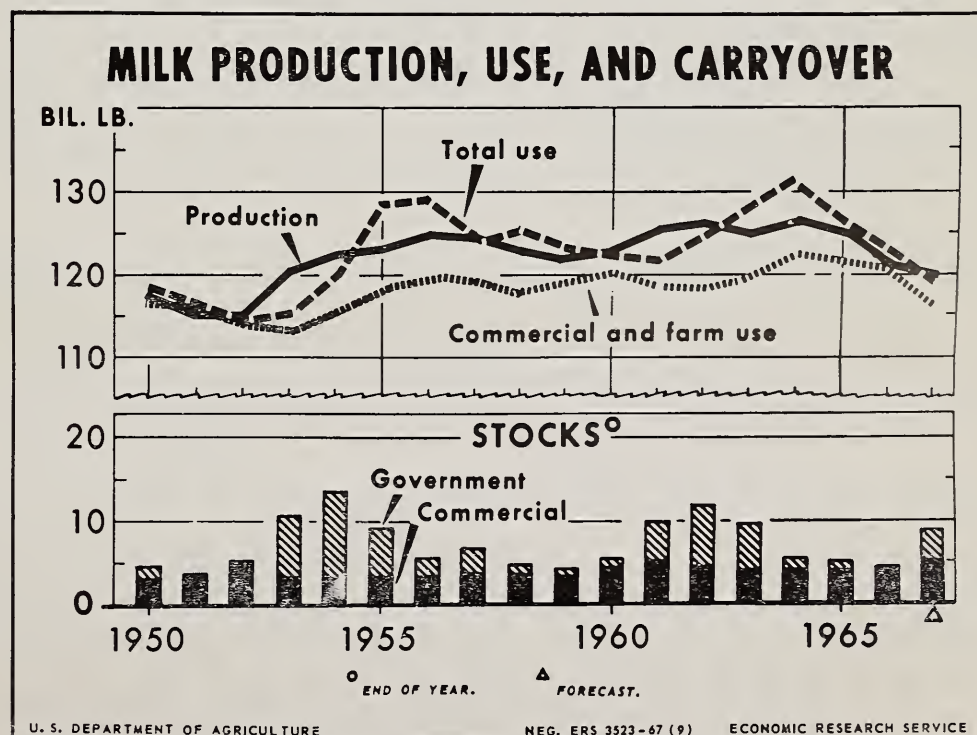
USDA lends more money than the

biggest bank in the world. These loans finance farm and nonfarm housing, electric power and telephones in rural areas, and community facilities such as water systems. USDA operates the biggest and most modern fire department in the world—to safeguard the National Forests.

Commodity regulations protect farm prices and income from the depressing effects of surplus production, and still provide the means for meeting market demands.

Most recently, Dr. Mehren said, USDA has been given the mandate

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U.S. milk output in 1967 may total slightly less than the 120.2 billion pounds in 1966. Commercial and farm use likely will be down about 5 billion pounds (milk equivalent) from the 1966 level. However, increased USDA donations of dairy products for domestic programs have risen, so total use likely will decline only about 3 billion pounds. Stocks of dairy products at the end of 1967 are estimated at over 8 billion pounds (milk equivalent), sharply above year-earlier levels. Milk production in 1968 is forecast about the same as this year. Total use of milk may increase next year, as commercial sales and USDA donations of dairy products both are expected to rise.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	\$5.51	\$5.59	\$5.85
Class I (3.5%)	5.50	5.70	5.87
Class II (3.5%)	3.91	3.93	4.02
Producer Butterfat Differential for each one-tenth percent	9.1¢	9.4¢	9.6¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	85.2	83.9	85.5
Percent of Producer Butterfat in Class I	78.0	79.2	78.1
Percent of Producer Milk in Class II	14.8	16.1	14.5
Percent of Producer Butterfat in Class II	22.0	20.8	21.9

PRODUCER MILK RECEIPTS

Total Pounds Producer Milk Delivered	43,425,367	42,100,424	42,216,938
Average Daily Class I Producer Milk	1,202,960	1,196,390	1,229,387
Total Number of Producers	1,577	1,576	1,501
Average Daily Receipts per Producer	888	890	907
Average Butterfat Test	3.79	3.65	3.80
Total Value of Producer Milk at Test	\$2,378,499	\$2,323,246	\$2,462,290
Income per Producer (7 Day Average)	\$340	\$345	\$370

GROSS CLASS USE (Pounds)

Class I Skim	35,698,311	34,116,727	34,834,329
Class I Butterfat	1,283,005	1,215,741	1,252,053
Class I Milk	36,981,316	35,332,468	36,086,382
Class II Skim	6,082,537	6,448,230	5,778,453
Class II Butterfat	361,514	319,726	352,102
Class II Milk	6,444,051	6,767,956	6,130,555

AVERAGE DAILY SALES (Quarts)

Milk	421,444	416,955	424,875
Buttermilk	4,937	5,184	5,727
Chocolate	32,394	31,507	32,085
Skim	11,476	10,728	11,935
Cream	6,771	5,953	7,607

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA

★ OCT., 1958 - '67

Year	Receipts From Producers	Average Butterfat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1958	24,738,205	3.77	85.7	8.3	1.7	4.3	4.30	4.420	4.020	3.920	2.894	1,746	457
1959	26,207,693	3.86	92.0	5.9	1.0	1.1	5.11	4.697	4.297	3.865	3.116	1,727	490
1960	27,938,777	3.80	86.1	7.9	1.6	4.4	4.84	4.502	4.102	3.913	3.100	1,588	568
1961	29,631,204	3.76	82.8	7.1	2.8	7.3	4.79	4.503	4.103	3.881	3.255	1,234	775
1962	35,113,477	3.74	79.3	7.1	3.2	10.4	4.50	4.27	3.872	3.637	3.011	1,330	852
1963	35,733,401	3.72	89.0	7.4	1.5	2.1	4.83	4.43	4.095	3.746	3.094	1,364	845
1964	43,168,771	3.78	89.9	10.1	—	—	4.74	4.59	3.24	—	—	1,686	825
1965	45,271,423	3.70	83.7	16.3	—	—	4.86	4.82	3.34	—	—	1,642	889
1966	42,216,938	3.80	85.5	14.5	—	—	5.85	5.87	4.02	—	—	1,501	907
1967	43,425,367	3.79	85.2	14.8	—	—	5.51	5.50	3.91	—	—	1,577	888

Second Half Dairy Imports Drop Sharply

The Dairy Situation, Economic Research Service USDA November, 1967

The new dairy import quotas proclaimed by the President on June 30, dropped July and August dairy imports to about 0.1 billion pounds milk equivalent from about 0.7 billion pounds a year earlier. These figures do not include quantities of butterfat sugar mixtures and "other American" types of cheese which were in transit or in the United States but not officially entered on June 30th.

The new quotas became effective July 1 and are expected to limit imports to about 1 billion pounds milk equivalent per calendar year. For the

last half of 1967, the quota was set at half the calendar year rate.

In the first half of 1967, dairy product imports amounted to 2.2 billion pounds milk equivalent, up to 60 percent from a year earlier. But, because of the new quotas, imports for the year as a whole likely will total only a little above the 2.8 billion pounds milk equivalent entered in 1966. The total figure will depend on how completely exporting countries fill their import quotas. At the end of August, Australia had an unfilled quota of about a million pounds of

butterfat-sugar mixtures remaining for the last half of 1967.

Similarly, New Zealand had about 6 million pounds of frozen cream quota remaining for calendar 1967. Imports of Cheddar and other American type cheese under the quota may start arriving in early November. During 1966, imports of Italian type cheese fell about 30 percent below the quota. This year, receipts again may be less than the quota because of high prices in Argentina and Italy and the lack of aged grating cheese for export in Argentina.

Dairy Herd Improvement Program Participants Gross More Than Non-Participants

Dairymen taking part in Standard Plan recordkeeping within the Dairy Herd Improvement Association (DHIA) grossed an average of \$233 more per cow than non-participants, summaries for 1966 show.

Participants produced an average of 12,307 pounds of milk per cow, or 57 percent more than non-participants. Average production in DHIA herds was up 180 pounds from the previous year, according to U.S. Department of Agriculture data.

Dr. R. Dean Plowman, a dairy scientist in USDA's Agriculture Research Service, directs the computer-run program.

Dr. Plowman says that a common rule in the dairy business holds that a producer profits only if his income exceeds twice his feed cost. On that

basis, 99 percent of the participants in the DHIA Standard Plan made a profit in 1966, but almost half of the non-participants either lost money or barely broke even.

Nationwide, in 1966, the average participating farmer fed 4,700 pounds of concentrates, 11,300 pounds of silage or succulent forage, and 3,600 pounds of hay or dried forage at an average feed cost of about \$265. Gross income per cow was estimated at \$631 or \$366 above feed costs.

Participating dairymen also feed and manage their cows more efficiently, Dr. Plowman says, and DHIA records enable them to identify cows that should be culled to keep business profitable.

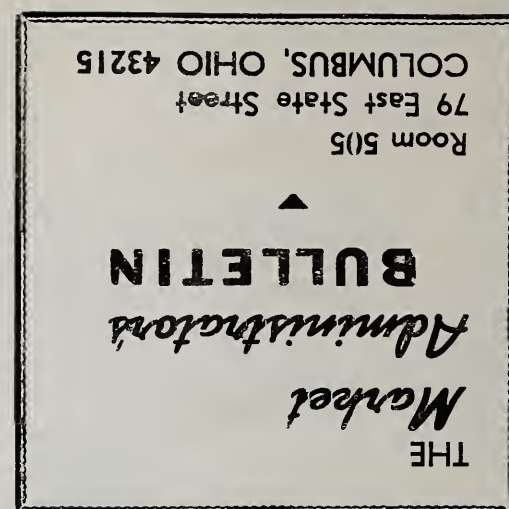
Advances were made in 1966 by participants in the Owner-Sampler

Plan, a more limited DHIA record-keeping program in which co-operators take their own milk samples for testing instead of using DHIA specialists.

MILK FOR MANUFACTURING

The Dairy Situation, Economic Research Service USDA November, 1967

Wholesale prices of dairy products have been at or near the support purchase prices during most of this year. Wholesale butter prices moved above the support purchase level in late August, and reached 67.5 cents per pound (Grade A at Chicago) in early October, but since then declined to 66.4 cents, about the support purchase price. American cheese prices (Cheddars at Wisconsin Assembly points) were steady from March through October 26 at about 44.9 cents per pound.



1968 PROSPECTS: LITTLE CHANGE

The Dairy Situation, Economic Research Service,
USDA November, 1967

In 1968, prices farmers receive for milk and butterfat likely will average near the 1967 level, if the dairy support and Federal order programs continue about as they are now. Even with reduced dairy imports next year, prospective supplies appear more than adequate to meet the commercial market's requirements for milk and dairy products. Therefore, USDA likely will remove substantial amounts of dairy products from the market under the price support program in the first half of 1968. Consequently, manufacturing grade milk prices are expected to continue near the support level during that time.

In prospect are rises in the parity index and in the 10-year moving average of manufacturing grade milk prices now used to calculate dairy support levels. These changes may increase the legal maximum support level (90 percent of parity) for manufacturing milk, by about 20 cents above the current maximum of \$4.16 per 100 pounds for the 1967-68 marketing year. USDA will announce actual support levels for the 1968-69 marketing year before April 1, 1968.

Market Quotations

OCTOBER
1967

MINNESOTA-WISCONSIN PRICE SERIES	\$3.98
Butter-nonfat dry milk price, 3.5% per cwt. (Columbus)	3.91
Average Price per lb. 92-score butter at Chicago	.6659
Average carlot prices, spray process nonfat dry milk, f.o.b. Chicago area manufacturing plants.	.1942

Cites USDA's Role . . .

(Continued from Front Page)

to assume leadership in fighting the war on rural poverty, and today is working with about 250,000 rural leaders in more than 3,000 local communities to improve rural incomes and living conditions.

To consumers, Dr. Mehren said, USDA assistance to agriculture has meant abundant food at reasonable prices and with assurance of quality and safety, U.S. consumers spend less of their disposable income for food than do consumers in any other country in the world. USDA also develops more new and improved products for better living than any other government agency in the world, including such widely differing products as frozen orange juice concentrate, the aerosol bomb, washable woollens, and commercial penicillin.

Dr. Mehren also discussed USDA services that benefit industry—particularly the dairy products industry. In addition to research that provides industry with new products and pro-

cess and helps in finding better ways to market its products, commodity regulations help industry at the same time they help consumers, Dr. Mehren said. USDA inspection activities assure sanitation, wholesomeness, and honesty of labeling for the consumer, and at the same time protect industry by helping it maintain satisfied markets for its products. Federal assistance is usually asked by industry in establishing grades, standards, and inspections for wholesomeness—as a protection against the few sub-standard operations that could jeopardize the entire market, he said.

Dr. Mehren described some of USDA's plans "for a still better agriculture in the future."

"In addition to the complexities of serving the needs of farmers, consumers, and industry," he said, "there is a new dimension for USDA that stems from the widening influence of agriculture as a force for peace and world economic development. We must have the understanding and support of the people if we are to meet these needs."